

## **BROKERAGE SERVICE REQUIREMENTS AND PROCEDURES**

### NEW SECTION

**WAC 308-124D-200 Checks--Payee requirements.** All checks received as earnest money, security or damage deposits, rent, lease payments, contract or mortgage payments on real property or business opportunities owned by clients shall be made payable to the real estate firm as licensed, unless it is mutually agreed in writing by the principals that the deposit shall be paid to the lessor, the seller or an escrow agent named in the agreement. The designated broker shall retain a copy of the written agreement.

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### NEW SECTION

**WAC 308-124D-205 Negotiating agreements and closing.** The real estate licensee shall be responsible for negotiating the agreement between seller and purchaser as follows:

- (1) The real estate licensee shall furnish or cause to be

furnished to each buyer and to each seller in every real estate or business opportunity transaction wherein the licensee provides brokerage services, at the time the transaction is closed, a complete detailed closing statement as it applies to the buyer and a complete detailed closing statement as it applies to the seller. The firm shall retain a copy of all closing statements of the respective buyers and sellers wherein the licensee provides brokerage services for all transactions even though funds are not handled by a licensee and closing is done elsewhere.

(2) The closing statements of all real estate or business opportunity transactions in which a real estate firm participates shall show the date of closing, the total purchase price of the property, an itemization of all adjustments, money, or things of value received or paid showing to whom each item is credited and/or to whom each item is debited. The dates of the adjustments shall be shown, together with the names of the payees, makers and assignees of all notes paid or made or assumed.

(3) The net proceeds of sale on all real estate transactions closed by a real estate licensee are to be paid direct to the seller unless otherwise provided by written agreement.

(4) Where an agreement for the sale of real estate has been negotiated involving the services of more than one licensee, and funds are to be deposited by the purchaser prior to the closing of the transaction, the firm first receiving such funds shall

retain custody and be accountable, until such funds are distributed or delivered in accordance with written instructions signed by all parties to the transaction.

(5) All licensees must keep the party to whom they provided brokerage services informed of the earnest money deposit status and must retain and provide copies of receipts to the principals and participating firms.

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#### NEW SECTION

**WAC 308-124D-210 Expeditious performance.** A real estate licensee shall perform all acts required of the licensee by a real estate agreement as expeditiously as possible. Intentional or negligent delays in such performance shall be considered detrimental to the public interest in violation of RCW 18.85.361(23).

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NEW SECTION

**WAC 308-124D-215 Management agreements and disclosures.**

(1) All properties managed by the firm must be supported by a written management agreement signed by the owner and designated broker and retained. The management agreement must state as a minimum:

- (a) The firm's compensation;
- (b) The type (i.e., apartments, industrial) and number of individual units in the project or square footage (if other than residential);
- (c) Whether or not the firm is authorized to collect funds and disburse funds and for what purposes;
- (d) Authorization, if any, to hold security deposits and the manner in which security deposits may be disbursed; and
- (e) The frequency of furnishing summary statements to the owner.

(2) All properties rented or leased by the firm must be supported by a written rental or lease agreement.

(3) Each owner of property managed by the firm must be provided a summary statement as provided in the property management agreement for each property managed showing: (The designated broker is to retain a true copy of this statement.)

- (a) Balance carried forward from previous summary

statement.

- (b) Total rent receipts.
- (c) Owner contributions.
- (d) Other itemized receipts.
- (e) Itemization of all expenses paid.
- (f) Ending balance.

(g) Number of units rented or square footage if other than residential.

(4) The firm may provide other services to owners of properties managed provided full disclosure to the owner is provided in writing of the broker's relationship with any and all persons providing such services, prior disclosure of fees charged, and permission is granted by the owner.

(5) Any amendment or modification to the property management agreement must be made in written form and signed by the owner and the designated broker and retained.

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NEW SECTION

**WAC 308-124D-220 Office requirement for brokers actively licensed in another jurisdiction.** The term "office" in RCW 18.85.180 for a broker actively licensed in another jurisdiction in which the broker's headquarter office is located shall mean the Washington location where trust account and transaction records are maintained. Such records are required to be maintained for three years. The trust account and transaction records shall be open and accessible to representatives of the department of licensing. The parties to the transaction shall have access to the transaction records prepared or retained for the requesting party.

A broker actively licensed in another jurisdiction seeking licensure in Washington, whose headquarter office is located in that other jurisdiction, shall notify the department of the location address where the records are maintained in the state of Washington and shall include this address with the headquarter's address on the license application.

The Washington license shall be posted at the location where the records are being maintained.

Within thirty days after mailing of the notice of audit, the broker shall come to the department's office, after making an appointment, in the geographic location (Seattle or Olympia)

nearest to the location of the records to sign the audit report.

If a real estate licensee actively licensed in another jurisdiction, whose headquarter office is located in that other jurisdiction, has obtained a Washington real estate license through a license recognition agreement, that licensee may maintain required Washington real estate transaction records in their out-of-state jurisdiction and with the out-of-state broker to whom they are licensed, providing it is allowed for in the license recognition agreement.

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#### NEW SECTION

**WAC 308-124D-225 Multiple business usage of office.** A broker may conduct a real estate brokerage business at an office location where the broker concurrently conducts a separate, business activity. The brokerage business activities shall be carried out and business records shall be maintained separate and apart from any other business activities by the broker.

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